



QUARTERLY STATEMENT
AS OF JUNE 30, 2020
OF THE CONDITION AND AFFAIRS OF THE
MCNA INSURANCE COMPANY

NAIC Group Code 4730 , 4730 NAIC Company Code 14063 Employer's ID Number 522459969
(Current Period) (Prior Period)

Organized under the Laws of Texas , State of Domicile or Port of Entry Texas

Country of Domicile US

Licensed as business type:

Life, Accident and Health [] Property/Casualty [] Hospital, Medical and Dental Service or Indemnity []
Dental Service Corporation [] Vision Service Corporation [] Other []
Health Maintenance Organization [] Is HMO Federally Qualified? Yes () No ()

Incorporated/Organized May 4, 2011 Commenced Business May 4, 2011

Statutory Home Office 100 Congress Avenue Suite 1100, Austin, Texas, US 78701
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 200 West Cypress Creek Road Suite 500, Fort Lauderdale, Florida, US 33309 800-494-6262
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 200 West Cypress Creek Road Suite 500, Fort Lauderdale, Florida, US 33309
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 200 West Cypress Creek Road Suite 500, Fort Lauderdale, Florida, US 33309
(Street and Number, City or Town, State, Country and Zip Code)
800-494-6262
(Area Code) (Telephone Number)

Internet Website Address www.mcna.net

Statutory Statement Contact Edward Strongin 800-494-6262 x189
(Name) (Area Code) (Telephone Number) (Extension)
estrongin@mcna.net 954-364-7022
(E-Mail Address) (Fax Number)

OFFICERS

JEFFREY FEINGOLD (PRESIDENT/CEO)
CARLOS LACASA (SECRETARY)

GLEN FEINGOLD (CHIEF OPERATING OFFICER)
EDWARD STRONGIN (TREASURY)

OTHER OFFICERS

DIRECTORS OR TRUSTEES

JEFFREY FEINGOLD, DDS
GLEN FEINGOLD
BARBARA FEINGOLD
CARLOS LACASA
GARY CLARKE
ALBERT HAWKINS
JACK GREENMAN, CPA
SAM HAMMER, CPA

State of Florida }
County of Broward } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

JEFFREY FEINGOLD, DDS
PRESIDENT/CEO

GLEN FEINGOLD
CHIEF OPERATING OFFICER

CARLOS LACASA
SECRETARY

Subscribed and sworn to before me this
day of

- a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds	117,280,225		117,280,225	113,356,263
2. Stocks:				
2.1 Preferred stocks	5,192,113		5,192,113	3,426,742
2.2 Common stocks	155,400		155,400	148,700
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ 118,033,816), cash equivalents (\$ 21,763,037) and short-term investments (\$ 4,729,968)	144,526,821		144,526,821	59,498,528
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets				
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 through Line 11)	267,154,559		267,154,559	176,430,233
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	1,020,419		1,020,419	973,282
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	85,121,266		85,121,266	18,785,370
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$) and contracts subject to redetermination (\$)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers				
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software				
21. Furniture and equipment, including health care delivery assets (\$)	259,301	259,301		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	3,303,042	3,303,042		
24. Health care (\$ 5,475,344) and other amounts receivable	5,475,344		5,475,344	5,475,344
25. Aggregate write-ins for other-than-invested assets	1,711,688	1,711,688		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	364,045,620	5,274,031	358,771,588	201,664,229
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	364,045,620	5,274,031	358,771,588	201,664,229
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1101 through Line 1103 plus Line 1198) (Line 11 above)				
2501. Prepays	1,671,285	1,671,285		
2502. Security Deposit	40,403	40,403		
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	1,711,688	1,711,688		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ 12,084,893 reinsurance ceded)	65,508,227		65,508,227	32,758,182
2. Accrued medical incentive pool and bonus amounts	1,250,000		1,250,000	1,000,000
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act	119,241,503		119,241,503	20,666,449
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	26,079,939		26,079,939	6,564,358
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates				
16. Derivatives				
17. Payable for securities	8,302,272		8,302,272	
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ 12,084,893 unauthorized reinsurers and \$ certified reinsurers)	12,084,893		12,084,893	9,957,750
20. Reinsurance in unauthorized and certified (\$) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$ current)	34,553		34,553	2,435,327
24. Total liabilities (Line 1 to Line 23)	232,501,387		232,501,387	73,382,066
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X	2,000,000	2,000,000
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X	28,000,000	28,000,000
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other-than-special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	96,270,202	98,282,164
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	X X X	X X X		
32.2 shares preferred (value included in Line 27 \$)	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32)	X X X	X X X	126,270,202	128,282,164
34. Total Liabilities, capital and surplus (Line 24 and Line 33)	X X X	X X X	358,771,588	201,664,230
DETAILS OF WRITE-INS				
2301. Accrued Reimbursement	34,553		34,553	2,435,327
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)	34,553		34,553	2,435,327
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	23,594,365	22,943,264	45,667,632
2. Net premium income (including \$ non-health premium income)	X X X	462,136,738	353,084,627	712,907,095
3. Change in unearned premium reserves and reserve for rate credits	X X X	(98,575,054)	(885,657)	(18,128,443)
4. Fee-for-service (net of \$ medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Line 2 to Line 7)	X X X	363,561,684	352,198,970	694,778,652
Hospital and Medical:				
9. Hospital/medical benefits		307,235,075	379,736,461	760,560,598
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area				
13. Prescription drugs				
14. Aggregate write-ins for other hospital and medical				(8,000,000)
15. Incentive pool, withhold adjustments and bonus amounts		250,000	1,125,000	(1,589,422)
16. Subtotal (Line 9 to Line 15)		307,485,075	380,861,461	750,971,176
Less:				
17. Net reinsurance recoveries		67,563,263	97,010,073	193,704,386
18. Total hospital and medical (Line 16 minus Line 17)		239,921,812	283,851,388	557,266,790
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ cost containment expenses				
21. General administrative expenses		77,155,940	59,163,895	118,119,152
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				
23. Total underwriting deductions (Line 18 through Line 22)		317,077,752	343,015,283	675,385,942
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	46,483,932	9,183,687	19,392,710
25. Net investment income earned		2,059,540	2,506,419	4,762,913
26. Net realized capital gains (losses) less capital gains tax of \$		(21,583)	(75,096)	38,084
27. Net investment gains (losses) (Line 25 plus Line 26)		2,037,957	2,431,323	4,800,997
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes	X X X	48,521,890	11,615,009	24,193,707
(Line 24 plus Line 27 plus Line 28 plus Line 29)				
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Line 30 minus Line 31)	X X X	48,521,890	11,615,009	24,193,707
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X			
1401. Claims Cost Recoupment				(8,000,000)
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)				(8,000,000)
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
33. Capital and surplus prior reporting year	128,282,164	121,706,432	121,706,432
34. Net income or (loss) from Line 32	48,521,890	11,615,010	24,193,707
35. Change in valuation basis of aggregate policy and claims reserves			(6,500,000)
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	1,162,441	4,244,291	4,873,307
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	(1,696,292)	1,142,182	2,008,719
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders	(50,000,000)		(18,000,000)
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Line 34 to Line 47)	(2,011,962)	17,001,482	6,575,733
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	126,270,202	138,707,913	128,282,164
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	494,375,895	354,528,448	745,386,766
2. Net investment income	2,165,560	2,766,246	5,199,476
3. Miscellaneous income			
4. Total (Line 1 through Line 3)	496,541,455	357,294,694	750,586,242
5. Benefit and loss related payments	305,496,821	271,302,231	573,546,509
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	56,448,200	58,053,715	114,716,993
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Line 5 through Line 9)	361,945,021	329,355,946	688,263,502
11. Net cash from operations (Line 4 minus Line 10)	134,596,434	27,938,748	62,322,740
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	19,943,260	38,609,372	60,450,139
12.2 Stocks	10,840	119,483	369,478
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	3,293	5,116	591
12.7 Miscellaneous proceeds	8,460,227		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	28,417,620	38,733,971	60,820,208
13. Cost of investments acquired (long-term only):			
13.1 Bonds	22,801,392	27,709,531	54,029,266
13.2 Stocks	2,022,288	275,015	776,660
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets	15,002	143,278	151,543
13.6 Miscellaneous applications		375,085	142,525
13.7 Total investments acquired (Line 13.1 through Line 13.6)	24,838,682	28,502,909	55,099,994
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	3,578,938	10,231,062	5,720,214
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders	50,000,000		18,000,000
16.6 Other cash provided (applied)	(3,147,080)	(1,550,206)	(23,827,073)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(53,147,080)	(1,550,206)	(41,827,073)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	85,028,293	36,619,604	26,215,881
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	59,498,528	33,282,647	33,282,647
19.2 End of period (Line 18 plus Line 19.1)	144,526,821	69,902,251	59,498,528

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefits Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	3,748,992								3,748,992	
2. First Quarter	3,873,688								3,873,688	
3. Second Quarter	4,093,705								4,093,705	
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	23,594,365								23,594,365	
Total Member Ambulatory Encounters for Period:										
7. Physician										
8. Non-Physician										
9. Total										
10. Hospital Patient Days Incurred										
11. Number of Inpatient Admissions										
12. Health Premiums Written (a)	518,266,171								518,266,171	
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	518,266,171								518,266,171	
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	272,357,887								272,357,887	
18. Amount Incurred for Provision of Health Care Services	307,485,075								307,485,075	

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
Individually listed claims unpaid						
0199999 - Individually listed claims unpaid	41,057,273	10,278,853	6,431,858	6,146,903	13,678,233	77,593,120
0499999 - Subtotals	41,057,273	10,278,853	6,431,858	6,146,903	13,678,233	77,593,120
0799999 - Total claims unpaid						77,593,120
0899999 - Accrued medical incentive pool and bonus amounts						1,250,000

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 plus 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)						
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	32,107,538	174,814,229	2,082,741	63,425,486	34,190,279	32,758,181
8. Other health						
9. Health subtotal (Line 1 to Line 8)	32,107,538	174,814,229	2,082,741	63,425,486	34,190,279	32,758,181
10. Health care receivables (a)			5,475,344		5,475,344	5,475,344
11. Other non-health						
12. Medical incentive pools and bonus amounts			1,000,000	250,000	1,000,000	1,000,000
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12)	32,107,538	174,814,229	(2,392,603)	63,675,486	29,714,935	28,282,837

(a) Excludes \$ loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS**1. Summary of Significant Accounting Policies**

A) Accounting Practices

MCNA Insurance Company ("Company") prepares its financial statements in accordance with accounting and reporting practices prescribed by the National Association of Insurance Commissioners (NAIC) Accounting Practices and Procedures Manual, which was adopted by the Texas Department of Insurance, and constitutes what is referred to as the Statutory Basis of Accounting. Such accounting and reporting is significantly different than generally accepted accounting principles (GAAP) in the United States; and therefore, the accompanying financial statements do not intend to present financial position, results of operations, and cash flows in accordance with GAAP.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Texas is shown below:

	<u>SSAP #</u>	<u>F/S</u> <u>Page</u>	<u>F/S</u> <u>Line #</u>	<u>2020</u>	<u>2019</u>
<u>NET INCOME</u>					
(1) MCNA Insurance Company state basis	_____	_____	_____	\$ 48,521,890	\$ 24,193,707
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: None	_____	_____	_____	_____	_____
(3) State Permitted Practices that increase/(decrease) NAIC SAP: None	_____	_____	_____	_____	_____
(4) NAIC SAP (1-2-3=4)	_____	_____	_____	<u>\$ 48,521,890</u>	<u>\$ 24,193,707</u>
<u>SURPLUS</u>					
(5) MCNA Insurance Company state basis	_____	_____	_____	\$ 126,270,202	\$ 128,282,164
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: None	_____	_____	_____	_____	_____
(7) State Permitted Practices that increase/(decrease) NAIC SAP: None	_____	_____	_____	_____	_____
(8) NAIC SAP (5-6-7=8)	_____	_____	_____	<u>\$ 126,270,202</u>	<u>\$ 128,282,164</u>

NOTES TO FINANCIAL STATEMENTS

B) Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions concerning dental costs, investment valuation and other factors that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities as of the date of the statement of admitted assets, liabilities, capital and surplus, and the revenues and expenses for the six months ended June 30, 2020. Such estimates are based on historical experience and other assumptions that are considered appropriate in the circumstances. However, actual results could differ from those estimates and these differences may be material.

C) Accounting Policies

Based on the Company's contracts with various Medicaid agencies, capitation fees are recorded as revenue except for those deemed to be advances under the terms of the contract. Advance premiums are reflected as unearned and recognized as revenue when earned. For the six months ended June 30, 2020, the Company recorded net capitation fees of \$462,136,738, inclusive of reinsurance experience refund. Current year changes to health policy reserves under various state contracts offset net capitation revenues by \$98,575,054.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments consist of liquid investments, with maturity dates of one year or less at the time of acquisition and are stated at fair market value.
- (2) Bonds are stated at fair market value.
- (3) Common stocks are stated at fair market value.
- (4) Preferred stocks are stated at fair market value.
- (5) The Company does not have any investments in mortgage loans on real estate.
- (6) The Company does not have any investments in loan-backed securities.
- (7) The Company does not have any investments in subsidiaries, controlled and affiliated entities.

NOTES TO FINANCIAL STATEMENTS

- (8) The Company does not have any investments in joint ventures, partnerships, and limited liability companies.
- (9) The Company does not have any investments in derivatives.
- (10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.
- (11) The Company records the cost of services provided by the dentists and specialists in its network based on actual fee-for-service claims submitted, plus an estimate for the cost of services incurred but not reported. For the six months ended June 30, 2020, the Company's cost for dental services was \$307,235,075 before amounts ceded to reinsurer of \$67,563,263.
- At year end, the Company's estimate for the cost of dental services incurred but not reported is computed by an independent actuary using standard actuarial methodologies. While management believes the amounts for such liabilities are adequate, these liabilities are based on assumptions and estimates with the ultimate liability being in excess of or less than the amount provided.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company does not have any pharmaceutical rebates receivable.

D) Going Concern – Not applicable

2. Accounting Changes and Correction of Errors

This note is not applicable to the Company.

3. Business Combinations and Goodwill

This note is not applicable to the Company.

4. Discontinued Operations

This note is not applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

5. Investments

- A. The Company does not have any Mortgage loans, including Mezzanine Real Estate Loans.
- B. The Company does not have any Debt Restructuring.
- C. The Company does not have any Reverse Mortgages.
- D. The Company does not have any Loan-Backed Securities.
- E. The Company does not have any Dollar Repurchase Agreements and/or Securities Lending Transactions.
- F. The Company does not own any Repurchase Agreements Transactions Accounted for as Secured Borrowing.
- G. The Company does not own any Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing.
- H. The Company does not own any Repurchase Agreements Transactions Accounted for as a Sale.
- I. The Company does not own any Reverse Repurchase Agreements Transactions Accounted for as a Sale.
- J. The Company does not own any Real Estate.
- K. The Company does not have any investments in low-income housing tax credits (LIHTC).
- L. Restricted Assets

The Company normally maintains US Treasury Notes in the amount of \$2,400,000, held by the Texas Treasury Safekeeping Trust, for the restricted benefit of the Commissioner of Insurance for the State of Texas. The US Treasury Notes have recently matured and the Texas Treasury Safekeeping Trust is currently holding cash of \$2,400,000 pending transfer of replacement securities. This amount is included in total admitted assets and comprises 0.67% of total admitted assets.

NOTES TO FINANCIAL STATEMENTS

The company also maintains approximately \$400,000 restricted assets as listed below.

(1) Restricted Assets (Including Pledged)

		1	2	3	4	5	6	7
	Restricted Asset Category	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Nondmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted in Total Admitted Assets (b)
a.	Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b.	Collateral held under security leding agreements	-	-	-	-	-	-	-
c.	Subject to repurchase agreements	-	-	-	-	-	-	-
d.	Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e.	Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f.	Subject to dollar reserve repurchase agreements	-	-	-	-	-	-	-
g.	Placed under option contracts	-	-	-	-	-	-	-
h.	Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-
i.	FHLB capital stock							
j.	On deposit with states	2,400,000	2,399,487	513	-	2,400,000	0.7%	0.7%
k.	On deposit with other regulatory bodies	-	-	-	-	-		
l.	Pledged as collateral to FHLB (including assets backing funding agreements)							
m.	Pledged as collateral not captured in other categories	-	-	-	-	-		
n.	Other restricted assets	400,151	400,162	(11)	-	400,151	0.1%	0.1%
o.	Total Restricted Assets	\$ 2,800,151	\$ 2,799,649	\$ 502	\$ -	\$ 2,800,151	0.8%	0.8%
	(a) Column 1 divided by Asset Page, Column 1, Line 28							
	(b) Column 5 divided by Asset Page, Column 3, Line 28							

NOTES TO FINANCIAL STATEMENTS

(2) This note is not applicable to the Company.

(3) Detail of Other Restricted Assets (Contracts that Share Similar Characteristics. Such as Reinsurance and Derivatives, Are Reported in the Aggregate)

	1	2	3	4	5	6
Description of Assets	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
Certificate of Deposit for Arkansas	\$ 100,015	\$ 100,015	-	\$ 100,015	0.027%	0.028%
U.S. Treasury Notes for Nevada	\$ 200,254	\$ 200,312	(58)	\$ 200,254	0.055%	0.056%
U.S. Treasury Notes for Ohio	\$ 99,882	\$ 99,836	46	\$ 99,882	0.027%	0.028%
	-	-	-	-		
Total	\$ 400,151	\$ 400,162	\$ (12)	\$ 400,151	0.110%	0.112%

(4) This note is not applicable to the Company

M. The Company does not have working capital finance investments.

N. The Company does not have any Offsetting and Netting Assets and Liabilities

O. The Company does not have any 5* Securities.

P. The Company does not have any Short Sales.

Q. The Company does not have any Prepayment Penalty and Acceleration Fees

6. Joint Ventures, Partnerships and Limited Liability Companies

This note is not applicable to the Company.

7. Investment Income

A. All investment income due and accrued with amounts that are over 90 days past due are excluded (nonadmitted) from surplus.

NOTES TO FINANCIAL STATEMENTS

B. The Company did not exclude any investment income.

8. Derivative Instruments

This note is not applicable to the Company.

9. Income Taxes

The Company is a wholly-owned subsidiary of MCNA Health Care Holdings, LLC. Qualified S Corporation Subsidiary (Q Sub) elections have been filed for the Company and its affiliates, and accepted by Internal Revenue Service. Accordingly, the Company and its affiliates Managed Care of North America, Inc., MCNA Systems Corp, and Sierra Dental, which are considered disregarded entities for Federal income tax purposes, will file a consolidated return with their common parent. Under provisions of Subchapter S of the Internal Revenue Code, in lieu of corporate income tax expense or benefit, the stockholder(s) of an S Corporation report their proportionate share of the Company's taxable income or loss. Additionally, an S Corporation is normally not subject to state taxes or state filing requirements. Therefore, no provision or liability for federal or state income tax expense nor any deferred tax benefit or liability is included in the statutory financial statements. No elections have been made regarding admitting deferred tax assets nor has there been any deferred income tax effect on the Company's capital and surplus.

10. Information Concerning Parent, Subsidiaries and Affiliates and Other Related Parties

- A. The Company is affiliated with Managed Care of North America, Inc. through their common parent MCNA Health Care Holdings, LLC.
- B. The Company has approved management services agreements with parent MCNA Health Care Holdings, LLC. The Company also entered into dental administrative services agreements with its affiliate, Managed Care of North America, Inc., for third-party administration as well as other delegated services, based upon requirements of each line of business.
- C. During the six months ended June 30, 2020, the Company paid approximately \$7,800,000 in fees to its parent under the aforementioned management services agreement, based on a percentage of revenue.

For the six months ended June 30, 2020, the Company paid approximately \$30,600,000, net of allocations, for dental administrative service fees to its affiliate, based on per-member per-month (PMPM) charges.

NOTES TO FINANCIAL STATEMENTS

There were no changes in terms to previously existing agreements from that used in the preceding period. Separate agreements will cover services required for the Company's most recent lines of business.

- D. As of June 30, 2020, the Company had a balance due from related parties of approximately \$3,300,000, which was for payment of various operating expenses advanced through the reporting period.
- E. The Company has no guarantees or undertakings, written or otherwise.
- F. The Company's only related-party agreements are those that are discussed above in Section B and C of this note.
- G. All outstanding shares of the Company are owned by its parent, MCNA Health Care Holdings LLC, which is domiciled in the State of Florida.
- H. The Company has no investment in any upstream entity, either directly or indirectly.
- I. The Company has no investments in Subsidiary, Controlled or Affiliated (SCA) entities.
- J. The Company has no investments in any SCA entity, impaired or otherwise.
- K. The Company has no investments in a foreign insurance subsidiary.
- L. The Company has no investments in a downstream non-insurance holding company.
- M. The Company has no investments in Subsidiary, Controlled or Affiliated (SCA) entities.
- N. The Company has no investments in an insurance SCA.
- O. This note is not applicable to the Company.

11. Debt

This note is not applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. The Company does not have a defined benefit plan.
- B. This note is not applicable to the Company.
- C. This note is not applicable to the Company.
- D. This note is not applicable to the Company.
- E. The Company's employees participate in a 401(k) "safe harbor" plan ("the Plan") established during 2012 and sponsored by the parent company (MCNA Health Care Holdings, LLC). Eligible employees are permitted to defer compensation up to IRS limitations based on their age at the end of each plan year. The Plan offers a "safe harbor" matching contribution equal to the minimum of the sum of 100% of the first 3% of annual compensation plus an additional 50% of the next 2% based on amount of compensation the employee contributes to the Plan. The Company has realized an expense of approximately \$3,500 for higher anticipated matching expense for the plan year 2019 and has expensed an estimated \$16,500 associated with the anticipated matching portion of the Plan for the year ending December 31, 2020. The matching portion for the plan year 2019 was paid on May 22, 2019 in the amount of approximately \$32,000.
- F. The Company does not have multiemployer plans.
- G. See Note 12E above.
- H. The Company's post employment benefits for compensated absences are immaterial.
- I. Not applicable to the Company.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 1,000,000 common shares authorized and 700,000 shares issued and outstanding with capital stock of \$2,000,000.
- (2) The Company has no preferred shares outstanding.

NOTES TO FINANCIAL STATEMENTS

- (3) Pursuant to Texas Insurance Code Section 403.001, the Company may not pay a dividend except from surplus profits arising from the business.
- (4) The Company has made no distributions in the quarter ended June 30, 2020.
- (5) The Company may make distributions to its parent to pay income taxes, if any, arising out of pass-through income. Distributions in excess of those necessary for taxes require approval of reinsurer and Holding Company (Parent) lender.
- (6) There are no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) Not applicable.
- (8) There are no amounts of stock held for special purposes.
- (9) Not applicable.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses was approximately \$1,200,000 for unrealized net loss as of June 30, 2020.
- (11) The Company has no surplus notes.
- (12) Not applicable.
- (13) Not applicable.

14. Liabilities, Contingencies, and Assessments

- A. The Company has no material contingent liabilities.
- B. The Company has not been advised of any assessments other than that described in 14 F below.
- C. The Company has no gain contingencies. See 14 F below
- D. The Company has no extra contractual obligations or bad faith losses stemming from lawsuits.

NOTES TO FINANCIAL STATEMENTS

- E. The Company has no joint and several liabilities.
- F. In addition to the Company's dependency on its major State Medicaid contracts, it is a regulated entity under Texas, Louisiana, Iowa, Idaho, Nebraska, Arkansas, and Utah Insurance Codes, where we currently operate, and as such is subject to, among other things, changes in initiatives to increase healthcare regulations and restrict insurance pricing and the application of underwriting standards.

The likelihood or outcome of current or future suits cannot be accurately predicted. In addition, the potential for increased liability for negligence arising from claim adjudication, along with possible increased litigation adds to this uncertainty. Such legal actions or government audits and investigations could have an adverse effect on the Company's financial position, results of operations or cash flows.

In December 2019, the President signed into law the "Further Consolidated Appropriations Act, 2020 which repeals several Affordable Care Act ("ACA") excise taxes including the Health Insurer Fee ("HIF") effective for years after 2020. The HIF will be assessed in 2020.

Tax regulations under the Affordable Care Act provide for a fee on health insurers, based on prior year written premiums. The Company fee is approximately \$16,850,000 for the year ending December 31, 2020. Accordingly, during the six months ended June 30, 2020, the company accrued and expensed this amount in full per Statutory Accounting Principles.

Furthermore, in order to meet actuarially sound plan fiscal guidelines, refunding of these fees, including a "gross-up for income tax effect", has been approved. The Company is anticipating reimbursement of approximately \$24,325,000. The Company has recorded this reimbursement in the accompanying financial statements as additional capitation.

15. Leases**A. Lessee Operating Lease**

- (1) The Company has non-cancelable leases for office facilities in San Antonio, Texas; Metarie, Louisiana; Lincoln, Nebraska; and Little Rock, Arkansas that provide for base monthly rent with annual increases plus pro-rata share of common area maintenance through April 2022 for the San Antonio, Lincoln, and Little Rock leases through 2024 for the Metarie lease. Rent expense for the six months ended June 30, 2020, and June 30, 2019 was approximately \$445,000, and \$465,000 respectively.

NOTES TO FINANCIAL STATEMENTS

(2) At January 1, of said year, the minimum aggregate rental commitments under these leases are as follows:

<u>Years Ending December 31,</u>	<u>Operating Leases</u>
2021	961,655
2022	413,473
2023	68,346
2024	69,624
2025	-
	<u>\$ 1,513,098</u>

B. The Company has no lessor arrangements.

16. Information About Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash deposits in excess of the Federal Deposit Insurance Corporation's insured limit of \$250,000. The Company generally limits exposure by placing deposits with several quality financial institutions. However, at times, such cash balances may be in excess of insured amounts.

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

This note is not applicable to the Company.

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

This note is not applicable to the Company.

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

This note is not applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

20. Fair Value Measurements

Generally accepted accounting principles require that certain assets and liabilities be measured at fair market value while allowing the option to carry certain other assets and liabilities that were not previously measured at fair value at their previous carrying value. In this connection, fair value measurements establish a hierarchy to prioritize the computation of fair value. Such hierarchy consists of a) - valuations based on quoted prices in active markets for identical assets or liabilities (Level 1), b) - valuations based on observable quoted prices for similar assets and liabilities in active markets (Level 2), and c) - valuations based on inputs that are unobservable and are supported by little or no market activity, therefore, requiring management's best estimate of what market participants would use as fair value (Level 3). The Company valued all its investments at June 30, 2020 as Level 1.

A.

- (1) Fair Value at Reporting Date
- (2) The Company had no Level 3 investments.
- (3) The Company had no transfers between levels during the six months ended June 30, 2020.
- (4) The Company had no Level 2 or Level 3 investments.

NOTES TO FINANCIAL STATEMENTS

Description	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (Nav)	Total
a. Assets at Fair Value					
Perpetual Preferred Stock					
Industrial and Misc	5,192,113	-	-	-	5,192,113
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Perpetual Preferred Stock	5,192,113	-	-	-	5,192,113
Bonds					
U. S. Government	47,203,009	-	-	-	47,203,009
Industrial and Misc	70,086,468	-	-	-	70,086,468
Hybrid Securities	-	-	-	-	-
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Bonds	117,289,477	-	-	-	117,289,477
Common Stock					
Industrial and Misc	155,400	-	-	-	155,400.00
Parent, Subsidiaries & Affiliates	-	-	-	-	-
Total Common Stock	155,400	-	-	-	155,400.00
Derivative assets					
Interest rate contracts	-	-	-	-	-
Foreign exchange contracts	-	-	-	-	-
Credit contracts	-	-	-	-	-
Commodity futures contracts	-	-	-	-	-
Commodity forward contracts	-	-	-	-	-
Total Derivatives	-	-	-	-	-
Separate account assets	-	-	-	-	-
Total Assets at Fair Value/NAV	122,636,990	-	-	-	122,636,990
b. Liabilities at Fair Value					
Derivative liabilities	-	-	-	-	-
.....	-	-	-	-	-
.....	-	-	-	-	-
Total Liabilities at Fair Value	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS

(5) The Company had no derivative assets and liabilities during the six months ended June 30, 2020.

B. Not required.

C. Fair Value Level

Type of Financial Investment	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Not Practicable (Carrying Value)
US Government - Issuer Obligation Bonds	\$ 47,203,009	\$ 47,203,009	\$ 47,203,009	-	-	-
Industrial and Misc Bonds	70,086,468	70,086,468	70,086,468	-	-	-
Preferred Stocks	5,192,113	5,192,113	5,192,113	-	-	-
Common Stocks	155,400	155,400	155,400	-	-	-

D. This note is not applicable to the Company.

E. This note is not applicable to the Company.

21. Other Items

A. The Company has no unusual or infrequent items to report.

B. The Company has no troubled debt restructuring.

C. Other Disclosures – none

D. The Company has not had any business interruption insurance recoveries.

E. The Company has not been involved in state transferable tax credits.

F. The Company has not had any subprime-mortgage-related risk exposure.

G. The Company has no retained assets.

H. The Company has no Insurance-Linked Securities (ILS).

NOTES TO FINANCIAL STATEMENTS

- I. The Company has no life insurance where the reporting entity is Owner and Beneficiary or has otherwise obtained rights to control the policy.

22. Events SubsequentType I – Recognized Subsequent Events:

Subsequent events have been considered through August 16, 2020 for the statutory statement issued on August 17, 2020.

There were no Type I subsequent events.

Type II – Non-recognized Subsequent Events:

Subsequent events have been considered through August 16, 2020 for the statutory statement issued on August 17, 2020.

There were no Type II subsequent events

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the federal Affordable Care Act (YES/NO)?	Yes () No (X)	
B.	ACA fee assessment payable for the upcoming year	\$ 16,858,610	\$ 16,858,610
C.	ACA fee assessment paid	\$ -	\$ -
D.	Premium written subject to ACA 9010 assessment	\$ -	\$ 898,111,760
E.	Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	\$ 126,270,202	
F.	Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus 22B above)	\$ 109,411,592	
G.	Authorized Control Level (Five-Year Historical Line 15)	\$ -	
H.	Would reporting the ACA assessment as of December 31, 2017, have triggered an RBC action level (YES/NO)?	Yes () No (X)	

NOTES TO FINANCIAL STATEMENTS

23. Reinsurance

In February 2012, the Company signed a Risk Premium Reinsurance Agreement with a reinsurance company (“the Reinsurer”). The agreement indemnifies the Company for an agreed upon quota share of dental insurance risk assumed by the Reinsurer under the terms and conditions as set forth in its contracts. During the six months ended June 30, 2020, the Company ceded to the reinsurer premiums of \$115,184,678 and claims costs of \$67,563,263. After its experience refund, the Company incurred and paid \$735,596 of net reinsurance expense.

A. Ceded Reinsurance Report**Section 1 – General Interrogatories**

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (X)

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)

NOTES TO FINANCIAL STATEMENTS

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

(1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate.

Not Applicable

(2) Have any new agreements been executed or existing agreements amended, since January 1st of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes () No (X)

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments?

B. Not applicable to the Company.

C. Not applicable to the Company.

D. Not applicable to the Company.

NOTES TO FINANCIAL STATEMENTS

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

In connection with the Company's contract with HHSC, it is obligated to pay an Experience Rebate if net income before taxes is greater than a graduated percentage of total revenues for any state fiscal year period. Pre-tax net income to revenues less than 3% is maintained 100% by the Company, with each increasing percentage lowering the Company's share and increasing HHSC share, up to 12%. All pre-tax net income above 12% is rebated 100% to the agency. As of June 30, 2020, the Company has calculated a total estimated experience rebate liability of approximately \$51,715,000.

Additionally, certain state contracts require member dental benefit payments to be at least 85% of earned program revenues (85% dental loss ratio ("DLR")). To the extent a related program's DLR is less than 85%, the shortfall will be reimbursed to the state. During 2020, the Company has an accrued liability estimated at \$67.5 million for certain contracts where dental benefit payments did not exceed the required 85% dental loss ratio threshold.

- A. Not applicable to the Company.
- B. Not applicable to the Company.
- C. Not applicable to the Company.
- D. Not applicable to the Company.
- E. See Note 14 F and Note 22.

25. Change in Incurred Claims and Claim Adjustment Expenses

- A. Net incurred claims reserve was \$32,758,182 as of December 31, 2019. During the six months ended June 30, 2020, \$32,107,538 has been paid for incurred claims and claim adjustment expenses attributable to prior years. Reserves remaining for prior years are now \$2,082,741 as a result of re-estimation of unpaid claims and claim adjustment expenses. Accordingly, there was \$1,432,097 of unfavorable prior-year's reserves applied during 2020. Original estimates are adjusted as additional information becomes known regarding individual claims and the market in which the Company operates.

NOTES TO FINANCIAL STATEMENTS

B. The Company had no significant changes in methodologies or assumptions.

26. Intercompany Pooling Arrangements

The Company is not part of a group of affiliated insurers that utilizes a pooling arrangement.

27. Structured Settlements

This note is not applicable to the Company.

28. Health Care Receivables

This note is not applicable to the Company.

A. The Company has no Pharmaceutical Rebate Receivables.

B. The Company has no Risk Sharing Receivables.

29. Participating Policies

The Company did not have any participating policies.

30. Premium Deficiency Reserves

This Company did not have any premium deficiency reserves.

31. Anticipated Salvage and Subrogation

There is no salvage or subrogation to disclose.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes () No (X)
- 1.2 If yes, has the report been filed with the domiciliary state? Yes () No ()
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes () No (X)
- 2.2 If yes, date of change:
- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes (X) No ()
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes () No (X)
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes.
- 3.4 Is the reporting entity publicly traded or a member of a publicly traded group? Yes () No (X)
- 3.5 If the response to 3.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes () No (X)
If yes, complete and file the merger history data file with the NAIC in the quarter when the merger occurred.
The data should be restatement of the prior year's date as if the merger occurred.
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
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- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes () No (X) N/A ()
If yes, attach an explanation
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015
- 6.2 State as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2015
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 01/04/2017
- 6.4 By what department or departments?
Texas Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes () No () N/A (X)
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes () No () N/A (X)
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes () No (X)
- 7.2 If yes, give full information
.....
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes () No (X)
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
.....
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes () No (X)
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [(i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
---------------------	-----------------------------	----------	----------	-----------	----------

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes (X) No ()
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
.....
- 9.2 Has the code of ethics for senior managers been amended? Yes () No (X)
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
.....

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes () No (X)
 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes (X) No ()
 10.2 If yes, indicate the amounts receivable from parent included in the Page 2 amount: \$ 3,303,042

INVESTMENT

11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes () No (X)
 11.2 If yes, give full and complete information relating thereto:

12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$
 13. Amount of real estate and mortgages held in short-term investments: \$
 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes () No (X)
 14.2 If yes, please complete the following:

	1 Prior Year-End Book/ Adjusted Carrying Value	2 Current Quarter Book/ Adjusted Carrying Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-Term Investments	\$	\$
14.25 Mortgage Loans on Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26)	\$	\$
14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes () No (X)
 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes () No () N/A (X)
 If no, attach a description with this statement.
 16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
 16.2 Total book adusted /carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2 \$
 16.3 Total payable for securities lending reported on the liability page \$
 17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ()
 17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
RBC Advisors Services	200 Vasey Street, New York, NY 10281
Morgan Stanley/SAGE	100 North Tampa Street, Suite 3000, Tampa, FL 33602
Merrill Lynch	2049 Century Park E 11/ 12 FL, Century City, CA 90067
US Bank	7th & Washington, St. Louis, MO 63101

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter? Yes (X) No ()
 17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
Merrill Lynch	US Bank	04/01/2020	New Broker

17.5 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such: ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
Gables Capital Management, Inc	U
Morgan Stanley/SAGE	U
Merrill Lynch	U
US Bank	U

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

17.5097 For those firms/individuals listed in the table for Question 17.5, do any firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") manage more than 10% of the reporting entity's invested assets? Yes (X) No ()

17.5098 For firms/individuals unaffiliated with the reporting entity (i.e., designated with a "U") listed in the table for Question 17.5, does the total assets under management aggregate to more than 50% of the reporting entity's invested assets? Yes (X) No ()

17.6 For those firms or individuals listed in the table for 17.5 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
109608	Gables Capital Management, Inc			
	Morgan Stanley/SAGE			
	Merrill Lynch			
	US Bank			

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes (X) No ()

18.2 If no, list exceptions:

.....

19. By self-designating 5GI securities, the reporting entity is certifying the following elements for each self-designated 5GI security:

- a. Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.
- b. Issuer or obligor is current on all contracted interest and principal payments.
- c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? Yes () No (X)

20. By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

- a. The security was purchased prior to January 1, 2018.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.
- d. The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? Yes () No (X)

21. By assigning FE to a Schedule BA non-registered private fund, the reporting entity is certifying the following elements of each self-designated FE fund:

- a. The shares were purchased prior to January 1, 2019.
- b. The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.
- c. The security had a public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO prior to January 1, 2019.
- d. The fund only or predominantly holds bonds in its portfolio.
- e. The current reported NAIC Designation was derived from the public credit rating(s) with annual surveillance assigned by an NAIC CRP in its legal capacity as an NRSRO.
- f. The public credit rating(s) with annual surveillance assigned by an NAIC CRP has not lapsed.

Has the reporting entity assigned FE to Schedule BA non-registered private funds that complied with the above criteria? Yes () No (X)

GENERAL INTERROGATORIES**PART 2 - HEALTH INTERROGATORIES**

-
1. Operating Percentages:
- 1.1 A&H loss percent 51.9 %
- 1.2 A&H cost containment percent %
- 1.3 A&H expense percent excluding cost containment expenses 16.7 %
- 2.1 Do you act as a custodian for health savings accounts? Yes () No (X)
- 2.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$
- 2.3 Do you act as an administrator for health savings accounts? Yes () No (X)
- 2.4 If yes, please provide the balance of the funds administered as of the reporting date. \$
3. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? Yes (X) No ()
- 3.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? Yes () No (X)

STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Business Ceded	8 Type of Reinsurer	9 Certified Reinsurer Rating (1 through 6)	10 Effective Date of Certified Reinsurer Rating
------------------------------	-------------------	------------------------	------------------------	----------------------------------	--------------------------------------	--------------------------------	---------------------------	---	--

Life & Annuity - Affiliates	AA-3160036	03/01/2012	RGA REINS CO (BARBADOS) LTD	BRB	QA/A/I				
0199998 - Life & Annuity - Affiliates									

0299998 - Life & Annuity - Non-Affiliates

0399998 - Accident & Health - Affiliates

0499998 - Accident & Health - Non-Affiliates

0599998 - Property/Casualty - Affiliates

0699998 - Property/Casualty - Non-Affiliates

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

States, Etc.	1 Active Status (a)	Direct Business Only							
		2 Accident & Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life & Annuity Premiums & Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama	AL	L							
2. Alaska	AK	N							
3. Arizona	AZ	N							
4. Arkansas	AR	L		35,478,962			35,478,962		
5. California	CA	L							
6. Colorado	CO	N							
7. Connecticut	CT	N							
8. Delaware	DE	N							
9. District of Columbia	DC	N							
10. Florida	FL	N							
11. Georgia	GA	N							
12. Hawaii	HI	N							
13. Idaho	ID	L		36,415,724			36,415,724		
14. Illinois	IL	L							
15. Indiana	IN	N							
16. Iowa	IA	L		13,329,780			13,329,780		
17. Kansas	KS	N							
18. Kentucky	KY	N							
19. Louisiana	LA	L		131,139,567			131,139,567		
20. Maine	ME	N							
21. Maryland	MD	N							
22. Massachusetts	MA	N							
23. Michigan	MI	L							
24. Minnesota	MN	N							
25. Mississippi	MS	N							
26. Missouri	MO	L							
27. Montana	MT	N							
28. Nebraska	NE	L		29,658,813			29,658,813		
29. Nevada	NV	L							
30. New Hampshire	NH	N							
31. New Jersey	NJ	N							
32. New Mexico	NM	N							
33. New York	NY	N							
34. North Carolina	NC	N							
35. North Dakota	ND	N							
36. Ohio	OH	N							
37. Oklahoma	OK	L							
38. Oregon	OR	N							
39. Pennsylvania	PA	N							
40. Rhode Island	RI	N							
41. South Carolina	SC	N							
42. South Dakota	SD	N							
43. Tennessee	TN	N							
44. Texas	TX	L		274,324,768			274,324,768		
45. Utah	UT	L		10,087,983			10,087,983		
46. Vermont	VT	N							
47. Virginia	VA	N							
48. Washington	WA	L							
49. West Virginia	WV	N							
50. Wisconsin	WI	L							
51. Wyoming	WY	N							
52. American Samoa	AS	N							
53. Guam	GU	N							
54. Puerto Rico	PR	N							
55. U.S. Virgin Islands	VI	N							
56. Northern Mariana Islands	MP	N							
57. Canada	CAN	N							
58. Aggregate Other Alien	OT	X X X							
59. Subtotal		X X X		530,435,597			530,435,597		
60. Reporting entity contributions for Employee Benefit Plans		X X X							
61. Total (Direct Business)		X X X		530,435,597			530,435,597		
DETAILS OF WRITE-INS									
58001.		X X X							
58002.		X X X							
58003.		X X X							
58998. Summary of remaining write-ins for Line 58 from overflow page		X X X							
58999. Total (Line 58001 through Line 58003 plus Line 58998) (Line 58 above)		X X X							

(a) Active Status Counts:

L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG
 E - Eligible - Reporting entities eligible or approved to write surplus lines in the state
 N - None of the above - Not allowed to write business in the state

16 R - Registered - Non-domiciled RRGs
 41 Q - Qualified - Qualified or accredited reinsurer

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**

PART 1 - ORGANIZATIONAL CHART

MCNA Health Care Holdings, LLC
Holding Company System

MCNA Health Care Holdings, LLC
45-2542951

MCNA Insurance Company
14063 TX
52-2459969

**Managed Care of North
America, Inc.**
52014 FL
65-0303864

MCNA Systems, Corp.
45-3641822

Sierra Dental Plan, Inc.
82-3922528

Other Affiliates

**200 West Cypress Creek
LLC**
47-4939777

Sagax Technologies Limited
33-75511BH

Healthplex America LLC
83-2329503

SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Group Code	Group Name	NAIC Company Code	ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies)/Person(s)	Is an SCA Filing Required? (Y/N)	*
4730	MCNA Group		45-2542951				MCNA Health Care Holdings, LLC	FL	UDP	Jeffrey Feingold, DDS	Ownership	100.000	Jeffrey Feingold, DDS	N	
	MCNA Group		45-3641822				MCNA Systems Corp	FL	DS	MCNA Health Care Holdings, LLC	Ownership	100.000	Jeffrey Feingold, DDS	N	
4730	MCNA Group	52014	65-0303864				Managed Care of North America, Inc	FL	DS	MCNA Health Care Holdings, LLC	Ownership	100.000	Jeffrey Feingold, DDS	N	
4730	MCNA Group	14063	52-2459969				MCNA INS CO	TX	RE	MCNA Health Care Holdings, LLC	Ownership	100.000	Jeffrey Feingold, DDS	N	
4730	MCNA Group	00000	82-3922528				Sierra Dental Plan, Inc	FL	DS	MCNA Health Care Holdings, LLC	Ownership	100.000	Jeffrey Feingold, DDS	N	

Asterisk	Explanation
----------	-------------

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

Response

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

NO

Explanation:

Bar Code:

Document Identifier 365:



SCHEDULE A - VERIFICATION

Real Estate

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		
2.2. Additional investment made after ac		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/ac		
7. Deduct current year's other-than-temporal		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1-8+9-10)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE

SCHEDULE B - VERIFICATION

Mortgage Loans

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		
2.2. Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mort		
9. Total foreign exchange change in book val		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December		
2. Cost of acquired:		
2.1. Actual cost at time of acquisition		
2.2. Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depr		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other-than-temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)		
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)		

NONE

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	116,931,705	118,337,232
2. Cost of bonds and stocks acquired	24,823,680	54,805,926
3. Accrual of discount	28,570	69,552
4. Unrealized valuation increase (decrease)	1,009,621	5,013,609
5. Total gain (loss) on disposals	(43,847)	(25,647)
6. Deduct consideration for bonds and stocks disposed of	19,954,101	60,819,616
7. Deduct amortization of premium	181,727	514,714
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Total investment income recognized as a result of prepayment penalties and/or acceleration fees	23,089	65,363
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9+10)	122,636,990	116,931,705
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	122,636,990	116,931,705

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation

NAIC Designation	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	74,810,681	14,600,004	8,409,119	1,882,326	74,810,681	82,883,893		74,122,857
2. NAIC 2 (a)	39,597,363	3,209,553	3,134,276	2,128,502	39,597,363	41,801,143		40,510,346
3. NAIC 3 (a)	1,086,524		702,911	949,557	1,086,524	1,333,169		958,025
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	115,494,568	17,809,558	12,246,306	4,960,385	115,494,568	126,018,205		115,591,228
PREFERRED STOCK								
8. NAIC 1	1,827,381			171,407	1,827,381	1,998,788		3,426,742
9. NAIC 2	2,449,174	562,917		181,234	2,449,174	3,193,325		
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock	4,276,555	562,917		352,641	4,276,555	5,192,113		3,426,742
15. Total Bonds & Preferred Stock	119,771,123	18,372,475	12,246,306	5,313,026	119,771,123	131,210,318		119,017,970

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$ 8,141,836 ; NAIC 2 \$ 586,892 ; NAIC 3 \$; NAIC 4 \$; NAIC 5 \$; NAIC 6 \$

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	4,729,968	X X X	4,730,988	20,176	9,850

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	1,809,069	1,296,323
2. Cost of short-term investments acquired	4,282,947	8,256,280
3. Accrual of discount	59	38,806
4. Unrealized valuation increase (decrease)	3,702	624
5. Total gain (loss) on disposals	(274)	(61)
6. Deduct consideration received on disposals	1,354,735	7,782,440
7. Deduct amortization of premium	10,801	465
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	4,729,968	1,809,069
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	4,729,968	1,809,069

Page SI04

Schedule DB, Part A, Verification

NONE

Schedule DB, Part B, Verification

NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open

NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open

NONE

Page SI07

Schedule DB, Verification

NONE

SCHEDULE E - PART 2 - VERIFICATION

(Cash Equivalents)

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,618,502	1,843,322
2. Cost of cash equivalents acquired	50,430,038	70,751,326
3. Accrual of discount	245	29,241
4. Unrealized valuation increase (decrease)	(136)	38
5. Total gain (loss) on disposals		(11)
6. Deduct consideration received on disposals	30,284,507	71,005,200
7. Deduct amortization of premium	1,106	214
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other-than-temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	21,763,037	1,618,502
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	21,763,037	1,618,502

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation and Administrative Symbol
Bonds - U. S. Governments									
912828-2P-4	UNITED STATES TREASURY		04/16/2020	Merrill Lynch		200,277	200,000.00	783	1
912828-YJ-3	UNITED STATES TREASURY		04/01/2020	Merrill Lynch		99,859	100,000.00	4	1
0599999	Subtotal - Bonds - U. S. Governments					300,136	300,000.00	787	
Bonds - U. S. Political Subdivisions of States, Territories and Possessions									
986082-NV-3	YONKERS N Y		05/01/2020	Unknown		204,395	200,000.00	1,050	1FE
2499999	Subtotal - Bonds - U. S. Political Subdivisions of States, Territories and Possessions					204,395	200,000.00	1,050	
Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions									
3132D5-5E-8	FH SB8045 - RMBS		05/13/2020	Morgan Stanley		769,341	735,167.81	664	1
31418D-PD-8	FN MA4019 - RMBS		06/03/2020	Morgan Stanley		1,000,011	964,302.39	201	1
472904-P3-9	JEFFERSON CNTY KY SCH DIST FIN CORP SCH		04/03/2020	Unknown		521,015	500,000.00	8,202	1FE
60416S-5C-0	MINNESOTA ST HSG FIN AGY		06/26/2020	Unknown		1,010,114	995,000.00	10,079	1FE
695339-JQ-5	PADUCAH KY INDPT SCH DIST FIN CORP SCH B		06/08/2020	Unknown		267,905	250,000.00	278	1FE
69650M-AV-1	PALM BEACH CNTY FLA HEALTH FACS AUTH RET		04/17/2020	Unknown		101,689	100,000.00	2,167	1FE
3199999	Subtotal - Bonds - U. S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions					3,670,075	3,544,470.20	21,591	
Bonds - Industrial and Miscellaneous (Unaffiliated)									
01609W-AS-1	ALIBABA GROUP HOLDING LTD	C	05/20/2020	Morgan Stanley		409,254	390,000.00	5,035	1FE
02006D-UM-1	ALLY FINANCIAL INC		05/13/2020	Unknown		274,740	275,000.00		2FE
06747P-MB-2	BARCLAYS BANK PLC	C	04/13/2020	Unknown		499,515	500,000.00		1FE
11134L-AH-2	BROADCOM CORP		05/13/2020	Unknown		353,484	350,000.00	4,445	2FE
17252M-AN-0	CINTAS CORPORATION NO 2		04/07/2020	Unknown		521,205	500,000.00	411	1FE
17298C-J6-6	CITIGROUP INC		04/01/2020	Unknown		135,015	135,000.00	26	1FE
228227-BD-5	CROWN CASTLE INTERNATIONAL CORP		06/17/2020	Morgan Stanley		277,888	250,000.00	5,615	2FE
22966R-AD-8	CUBESMART LP		06/30/2020	Morgan Stanley		260,816	242,000.00	2,542	2FE
337158-AJ-8	FIRST HORIZON BANK		05/18/2020	Unknown		506,890	500,000.00	1,757	2FE
432748-AD-3	HILLTOP HOLDINGS INC		05/21/2020	Unknown		100,750	100,000.00	176	2FE
47233J-DD-7	JEFFERIES GROUP LLC		04/29/2020	JEFFERIES		496,265	500,000.00		2FE
69121K-AB-0	OWL ROCK CAPITAL CORP		04/30/2020	Unknown		286,587	300,000.00	1,033	2FE
78013X-W2-0	ROYAL BANK OF CANADA	C	05/20/2020	Morgan Stanley		665,571	615,000.00	2,971	1FE
844741-BH-0	SOUTHWEST AIRLINES CO		06/30/2020	Morgan Stanley		339,380	329,000.00	2,518	2FE
85917A-AB-6	STERLING BANCORP		04/02/2020	Not Provided				4,278	Z
86562M-AM-2	SUMITOMO MITSUI FINANCIAL GROUP INC	C	05/19/2020	Morgan Stanley		497,799	485,000.00	4,984	1FE
871829-AZ-0	SYSCO CORP		04/16/2020	Unknown		51,490	50,000.00	99	2FE
87227R-QE-7	TCF NATIONAL BANK		06/22/2020	Unknown		261,265	250,000.00	1,757	2FE
89114R-GM-2	TORONTO-DOMINION BANK	C	04/01/2020	Unknown		20		(20)	1FE
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					5,937,934	5,771,000.00	37,627	
8399997	Subtotal - Bonds - Part 3					10,112,540	9,815,470.20	61,055	
8399999	Subtotal - Bonds					10,112,540	9,815,470.20	61,055	
Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) Perpetual Preferred									
693475-AK-1	PNC FINANCIAL SERVICES GROUP INC		06/30/2020	Unknown	50,000.000	51,637			2FE
89832Q-AE-9	TRUIST FINANCIAL CORP		05/29/2020	Unknown	500,000.000	511,280			2FE
8499999	Subtotal - Preferred Stocks - Industrial and Miscellaneous (Unaffiliated) Perpetual Preferred					562,917			
8999997	Subtotal - Preferred Stocks - Part 3					562,917			
8999999	Subtotal - Preferred Stocks					562,917			
9899999	Subtotal - Preferred and Common Stocks					562,917			

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STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation and Administrative Symbol
9999999 - TOTALS						10,675,457	61,055		

STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation and Administrative Symbol
										11 Unrealized Valuation Increase/(Decrease)	12 Current Year's (Amortization)/Accretion	13 Current Year's Other-Than-Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11+12-13)	15 Total Foreign Exchange Change in B./A.C.V.							
Bonds - U.S. Governments																					
38378E-XV-0	GNR 2012-060 MD - CMO/RMBS		06/01/2020	Paydown		57,001	57,000.99	55,986	57,056	(623)	142		(481)		56,575		426	426	484	10/20/2038	1
912828-2P-4	UNITED STATES TREASURY		04/16/2020	Merrill Lynch		199,217	200,000.00	200,362	200,312		(34)		(34)		200,277		(1,060)	(1,060)	2,658	07/31/2022	1
912828-4J-6	UNITED STATES TREASURY		04/30/2020	Maturity @ 100.00		2,400,000	2,400,000	2,397,000	2,399,487		513		513		2,400,000				28,500	04/30/2020	1
912828-YJ-3	UNITED STATES TREASURY		04/01/2020	Adjustment		99,858	100,000.00	99,817	99,836		22		22		99,858				730	09/30/2021	1
0599999	Subtotal - Bonds - U.S. Governments						2,756,076	2,757,000.99	2,753,165	2,756,691	(623)	643		20	2,756,710		(634)	(634)	32,372		
Bonds - U.S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions																					
140542-BH-3	CAPITAL TR AGY FLA SR LIVING REV		05/28/2020	Unknown		210,417	385,000.00	425,451	402,571	20,303	(2,818)		17,485		420,056		(209,639)	(209,639)	17,183	07/01/2033	3FE
196479-5J-4	COLORADO HSG & FIN AUTH		05/01/2020	Call @ 100.00		40,000	40,000.00	41,751	41,592		(69)		14		41,606		(1,606)	(1,606)	814	05/01/2031	1FE
212610-FF-1	CONWAY ARK WASTEWATER REV		04/14/2020	Unknown		501,485	500,000.00	505,190	501,540	3,534	(286)		3,248		504,788		(3,303)	(3,303)	7,152	10/01/2028	1FE
3128MJ-YT-1	FH G08721 - RMBS		06/01/2020	Paydown		39,514	39,513.65	40,847	40,549		(7)		144		40,692		(1,178)	(1,178)	504	09/01/2046	1
3132D5-5E-8	FH SB8045 - RMBS		06/01/2020	Paydown		6,114	6,114.38	6,399			(1)		(1)		6,397		(283)	(283)	13	05/01/2035	1
3132WL-RX-6	FH Q46801 - RMBS		06/01/2020	Paydown		93,284	93,284.34	98,736	98,335		(363)		(379)		97,956		(4,671)	(4,671)	1,615	03/01/2047	1
3133EG-LU-7	FEDERAL FARM CREDIT BANKS FUNDING COR		04/13/2020	Call @ 100.00		275,000	275,000.00	274,450	274,216		610		32		274,858		142	142	3,041	07/14/2021	1
3133EG-QN-8	FEDERAL FARM CREDIT BANKS FUNDING COR		04/08/2020	Call @ 100.00		210,000	210,000.00	209,633	208,730		1,115		1,132		209,862		138	138	1,442	05/10/2022	1
3136A0-Y2-7	FNR 2011-89 BA - CMO/RMBS		06/01/2020	Paydown		2,963	2,962.52	2,981	2,969		(1)		(3)		2,966		(3)	(3)	30	11/25/2025	1
3136A2-5W-9	FNR 2011-141 CA - CMO/RMBS		06/01/2020	Paydown		18,479	18,479.21	18,638	18,450		(82)		71		18,520		(41)	(41)	157	12/25/2025	1
3136AG-SU-7	FNR 2013-104 JA - CMO/RMBS		06/01/2020	Paydown		30,674	30,674.47	30,617	31,053		(437)		(437)		30,616		58	58	386	12/25/2030	1
3136AG-UB-6	FNR 2013-100 DH - CMO/RMBS		06/01/2020	Paydown		13,208	13,207.58	13,163	13,432		(267)		1		13,166		42	42	168	09/25/2031	1
3136B3-L9-9	FNR 2019-10 MA - CMO/RMBS		06/01/2020	Paydown		55,936	55,935.61	55,586	57,357		(1,765)		2		55,594		341	341	675	03/25/2049	1
3137A1-M4-2	FHR 3710 MG - CMO/RMBS		06/01/2020	Paydown		13,207	13,207.36	13,397	14,013		(646)		(9)		13,358		(150)	(150)	219	08/15/2025	1
3137AG-BH-2	FHR 3945 BJ - CMO/RMBS		06/01/2020	Paydown		14,120	14,120.24	14,281	14,105		84		(9)		14,180		(60)	(60)	120	03/15/2026	1
3137AJ-BR-4	FHR 3958 DL - CMO/RMBS		06/01/2020	Paydown		24,129	24,128.76	24,162	24,189		(63)		(10)		24,116		13	13	303	09/15/2029	1
3137AJ-YX-6	FHR 3977 AD - CMO/RMBS		06/15/2020	Paydown		9,341	9,340.94	9,353	9,369		(31)		(4)		9,334		7	7	103	09/15/2029	1
3138WE-RN-1	FN AS4992 - RMBS		06/01/2020	Paydown		9,814	9,813.61	10,255	10,292		(70)		(2)		10,220		(406)	(406)	149	05/01/2045	1
3138WF-ZY-1	FN AS6190 - RMBS		06/01/2020	Paydown		29,205	29,205.14	30,408	30,778		(477)		(6)		30,294		(1,089)	(1,089)	433	11/01/2045	1
3138WF-ZZ-8	FN AS6191 - RMBS		06/01/2020	Paydown		31,198	31,197.94	32,506	32,715		(326)		(7)		32,382		(1,184)	(1,184)	463	11/01/2045	1
3138WJ-A4-0	FN AS8126 - RMBS		06/01/2020	Paydown		48,855	48,854.80	50,454	50,981		(630)		(7)		50,344		(1,489)	(1,489)	750	10/01/2046	1
3138YJ-4G-8	FN AY5322 - RMBS		06/01/2020	Paydown		16,873	16,873.20	17,156	17,098		(7)		(13)		17,084		(211)	(211)	193	04/01/2030	1
3138YW-KG-1	FN AZ4794 - RMBS		06/01/2020	Paydown		8,128	8,128.07	8,445	8,369		(5)		(6)		8,368		(240)	(240)	103	10/01/2030	1
31398N-LS-1	FNR 2010-106 BD - CMO/RMBS		06/01/2020	Paydown		1,446	1,445.65	1,454	1,444		(1)		2		1,446				13	09/25/2020	1
3140Q8-KD-6	FN CA1191 - RMBS		06/01/2020	Paydown		120,816	120,815.95	121,774	125,453		(3,709)		(8)		121,736		(920)	(920)	1,824	11/01/2047	1
3140X4-PJ-9	FN FM1324 - RMBS		06/01/2020	Paydown		73,350	73,350.30	74,989	75,159		(188)		(63)		74,908		(1,558)	(1,558)	924	11/01/2031	1
31418B-ZF-6	FN MA2541 - RMBS		06/01/2020	Paydown		15,514	15,513.78	15,871	15,722		(65)		(6)		15,780		(266)	(266)	163	02/01/2031	1
31418C-GE-8	FN MA2896 - RMBS		06/01/2020	Paydown		35,236	35,235.64	36,067	36,585		(617)		(4)		35,965		(729)	(729)	522	02/01/2047	1
31418D-GF-3	FN MA3797 - RMBS		05/13/2020	Variou		822,186	788,107.05	795,064	795,334		(418)		(304)		794,612		27,574	27,574	8,833	10/01/2034	1
59333P-V7-0	MIAMI-DADE CNTY FLA AVIATION REV		06/26/2020	Unknown		509,970	500,000.00	530,915	515,400	13,931	(1,974)		11,957		527,357		(17,387)	(17,387)	13,659	10/01/2034	1FE
60416S-5C-0	MINNESOTA ST HSG FIN AGY		06/26/2020	Unknown		507,595	500,000.00	507,595			(8)		(8)		507,587		8	8	5,065	01/01/2035	1FE
64711R-KS-4	NEW MEXICO FIN AUTH ST TRANSN REV		06/15/2020	Maturity @ 100.00		275,000	275,000.00	319,938	279,862		(469)		(4,862)		275,000				6,875	06/15/2020	1FE
69650M-AV-1	PALM BEACH CNTY FLA HEALTH FACS AUTH		06/25/2020	Unknown		107,985	100,000.00	101,689			(39)		(39)		101,650		6,335	6,335	3,111	11/15/2032	1FE
783186-UC-1	RUTGERS ST UNIV N J		04/07/2020	Unknown		497,485	500,000.00	500,015	497,820		2,195		2,195		500,015		(2,530)	(2,530)	5,383	05/01/2025	1FE
3199999	Subtotal - Bonds - U.S. Special Revenue and Special Assessment and All Non-Guaranteed Obligations of Agencies and Authorities of Governments and Their Political Subdivisions						4,668,527	4,784,510.19	4,939,230	4,245,482	31,659	(10,006)		21,653	4,882,813		(214,285)	(214,285)	82,388		
Bonds - Industrial and Miscellaneous (Unaffiliated)																					
00206R-CZ-3	AT&T INC		06/29/2020	Call @ 100.00		410,415	400,000.00	436,400	409,224		(1,679)		(4,247)		403,298		(3,298)	(3,298)	26,464	02/15/2021	2FE
052769-AD-8	AUTODESK INC		06/19/2020	Unknown		338,985	300,000.00	306,180	327,663		(22,684)		(412)		304,567		34,418	34,418	6,854	06/15/2025	2FE
07330N-AS-4	BRANCH BANKING AND TRUST CO		05/01/2020	Call @ 100.00		405,000	405,000.00	404,862	405,186		(213)		21		404,995		5	5	3,413	06/01/2020	1FE
11134L-AH-2	BROADCOM CORP		06/16/2020	Unknown		379,735	350,000.00	353,484			(39)		(39)		353,444		26,291	26,291	5,764	01/15/2027	2FE
17252M-AN-0	CINTAS CORPORATION NO 2		06/16/2020	Unknown		563,235	500,000.00	521,205			(546)		(546)		520,659		42,576	42,576	3,957	04/01/2027	1FE

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STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identifi- cation	2 Description	3 Foreign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change In Book/Adjusted Carrying Value					16 Book/Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation and Administrative Symbol
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amort- ization) / Accretion	13 Current Year's Other- Than-Temporary Impairment Recognized	14 Total Change in B. /A. C. V. (11+12-13)	15 Total Foreign Exchange Change in B. /A. C. V.							
20605P-AG-6	CONCHO RESOURCES INC		04/16/2020	Unknown		498,875	500,000.00	507,189	516,885	(10,896)	(317)		(11,213)		505,672		(6,797)	(6,797)	16,528	01/15/2025	2FE
37045X-BV-7	GENERAL MOTORS FINANCIAL COMPANY INC		04/13/2020	Maturity @ 100.00		155,000	155,000.00	154,123	155,192	(418)	225		(193)		155,000				2,054	04/13/2020	2FE
539439-AM-1	LLOYDS BANKING GROUP PLC	C	06/19/2020	Unknown		666,207	600,000.00	620,658	649,860	(33,486)	(1,172)		(34,658)		615,202		51,005	51,005	14,739	12/10/2025	2FE
674599-CC-7	OCCIDENTAL PETROLEUM CORP		04/01/2020	Morgan Stanley		207,965	285,000.00	281,249	290,039	(7,465)	281		(7,184)		282,855		(74,890)	(74,890)	5,641	02/15/2022	3FE
785592-AE-6	SABINE PASS LIQUEFACTION LLC		06/08/2020	Call @ 100.00		275,302	270,000.00	280,681	277,530	(3,177)	(2,260)		(5,437)		272,093		(2,093)	(2,093)	18,254	02/01/2021	2FE
89114Q-C2-2	TORONTO-DOMINION BANK	C	06/11/2020	Maturity @ 100.00		264,000	264,000.00	264,000	264,246	(246)			(246)		264,000				2,154	06/11/2020	1FE
3899999	- Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					4,164,719	4029000	4,130,031	3,295,825	(80,264)	(8,466)		(88,730)		4,081,785		67,217	67,217	105,822		
8399997	- Subtotal - Bonds - Part 4					11,589,322	11570511.18	11,822,426	10,297,998	(49,228)	(17,829)		(67,057)		11,721,308		(147,702)	(147,702)	220,582		
8399999	- Subtotal - Bonds					11,589,322	11570511.18	11,822,426	10,297,998	(49,228)	(17,829)		(67,057)		11,721,308		(147,702)	(147,702)	220,582		
9999999	- TOTALS					11,589,322		11,822,426	10,297,998	(49,228)	(17,829)		(67,057)		11,721,308		(147,702)	(147,702)	220,582		

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Schedule DB, Part A, Section 1

NONE

Description of Hedged Risk (s)

NONE

Financial or Economic Impact of the Hedge

NONE

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Schedule DB, Part B, Section 1

NONE

Schedule DB, Part B, Section 1, Broker Name

NONE

Schedule DB, Part B, Description of Hedged Risk (s)

NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge

NONE

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Schedule DB, Part D, Section 1

NONE

Page E09

Schedule DB, Part D, Section 2, By Reporting Entity

NONE

Schedule DB, Part D, Section 2, To Reporting Entity

NONE

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Schedule DB, Part E

NONE

Page E11

Schedule DL, Part 1

NONE

Page E12

Schedule DL, Part 2

NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
Name	Location and Supplemental Information	Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6 First Month	7 Second Month	8 Third Month	*
Open Depositories									
Bank of America #5526	Houston, Texas		0.300	161		333,755	333,812	333,866	
Bank of America #0963	Houston, Texas					41,708,444	91,708,444	41,708,444	
BankUnited Claims #6846	Miami, Florida					(1,426,502)	(1,555,487)	(1,879,582)	
BankUnited MM #5541	Miami, Florida					6,256,773	5,023,098	14,069,158	
BankUnited Reinsurance #2738	Miami, Florida		0.500	51,939		47,140,868	42,161,046	62,183,573	
BankUnited NE Holdback #7079	Miami, Florida		0.500	853		646,311	713,449	779,707	
BankUnited AR Claims #7299	Miami, Florida					(161,499)	(206,881)	(302,291)	
BankUnited LA Claims #8374	Miami, Florida					(123,090)	(286,802)	(292,023)	
BankUnited ID Claims #3814	Miami, Florida					(214,269)	(910,178)	(336,812)	
Texas Trust Account	Austin, Texas					2,400,000	2,400,000	2,400,000	
0199998 - Deposits in 14 depositories that do not exceed the allowable limit in any one depository (See Instructions) - Open Depositories									
						232,763	687,915	(630,223)	
0199999 - TOTAL - Open Depositories						52,953	96,793,554	140,068,416	118,033,817
0399999 - TOTAL Cash on Deposit						52,953	96,793,554	140,068,416	118,033,817
0599999 - TOTALS						52,953	96,793,554	140,068,416	118,033,817

STATEMENT AS OF JUNE 30, 2020 OF THE MCNA INSURANCE COMPANY

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 CUSIP	2 Description	3 Code	4 Date Acquired	5 Rate of Interest	6 Maturity Date	7 Book/Adjusted Carrying Value	8 Amount of Interest Due & Accrued	9 Amount Received During Year
Bonds: U. S. Government - Issuer Obligations								
	UNITED STATES TREASURY		06/30/2020		09/17/2020	3,998,760		
0199999	Bonds: U. S. Government - Issuer Obligations					3,998,760		
0599999	Bonds: Subtotals - U. S. Government Bonds					3,998,760		
Bonds: U. S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities								
1999999	Bonds: U. S. Political Subdivisions of States, Territories and Possessions (Direct and Guaranteed) - Residential Mortgage-Backed Securities							
7699999	Total Bonds - Subtotals - Issuer Obligations					3,998,760		
8399999	Total Bonds - Subtotals - Bonds					3,998,760		
All Other Money Market Mutual Funds								
123456-79-0	RBC BANK DEPOSIT PROGRAM		06/30/2020	0.100		5,000,000		19
61747C-82-2	MORG STAN I LQ:GS PAR		06/29/2020	0.010		10,778,949		1,795
74926P-65-4	RBC US GOVT MM INV		06/30/2020	0.010		1,985,328		3
8699999	All Other Money Market Mutual Funds					17,764,277		1,817
8899999	Total Cash Equivalents					21,763,037		1,817

QUARTERLY MERGER HISTORY FORM

		1
		For 2019
1. Bonds (Assets Column 3 Line 1 Prior Year Annual)	NONE
2. Subtotals cash and invested assets (Assets Column 3 Line 1	
3. Total assets (Assets Column 3 Line 28 Prior Year Annual)
4. Total liabilities (Liabilities Column 3 Line 34 Prior Year Annua	